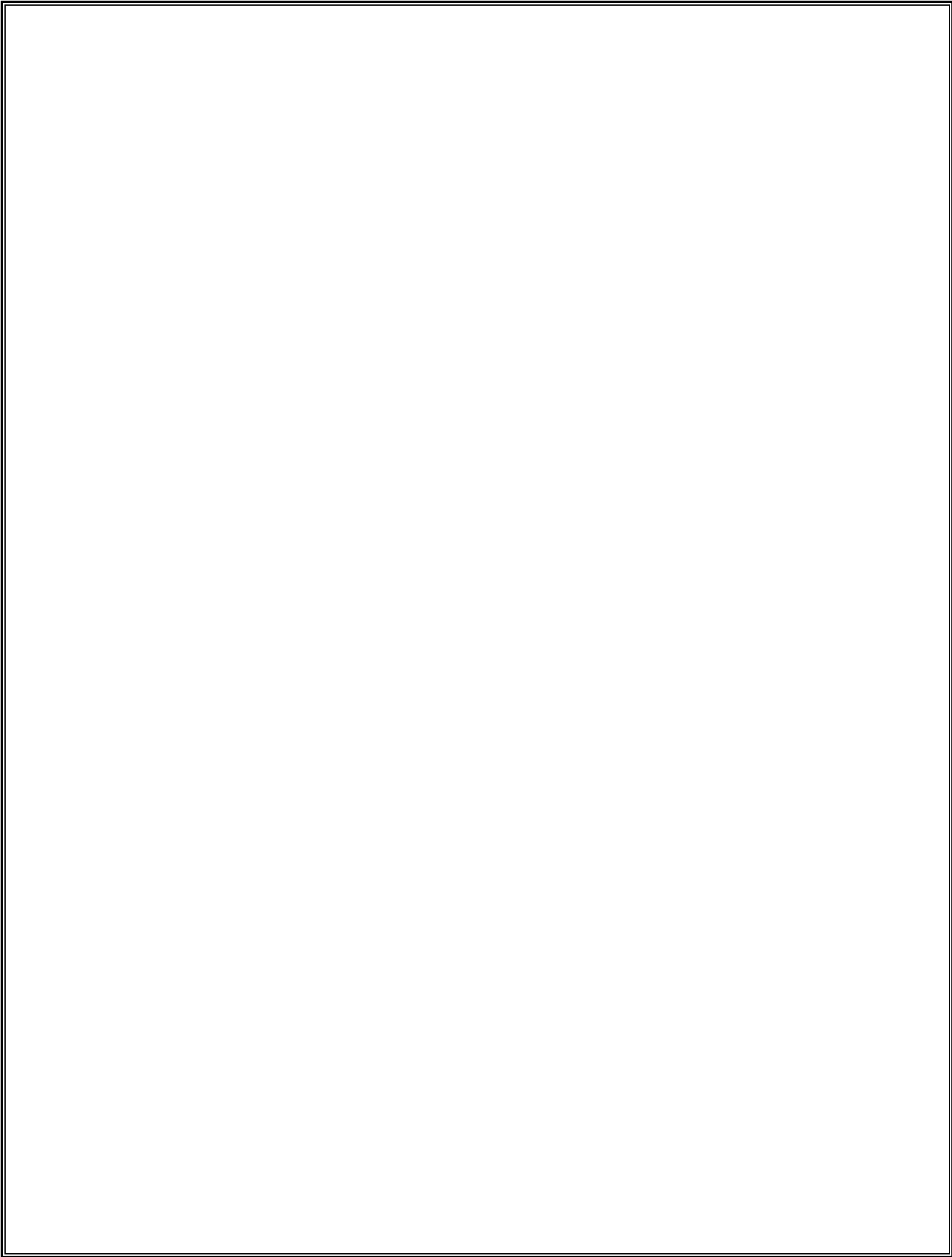


# **BUDGET TRANSMITTAL LETTER**



May 29, 2001

Honorable Mayor and Members of the City Council:

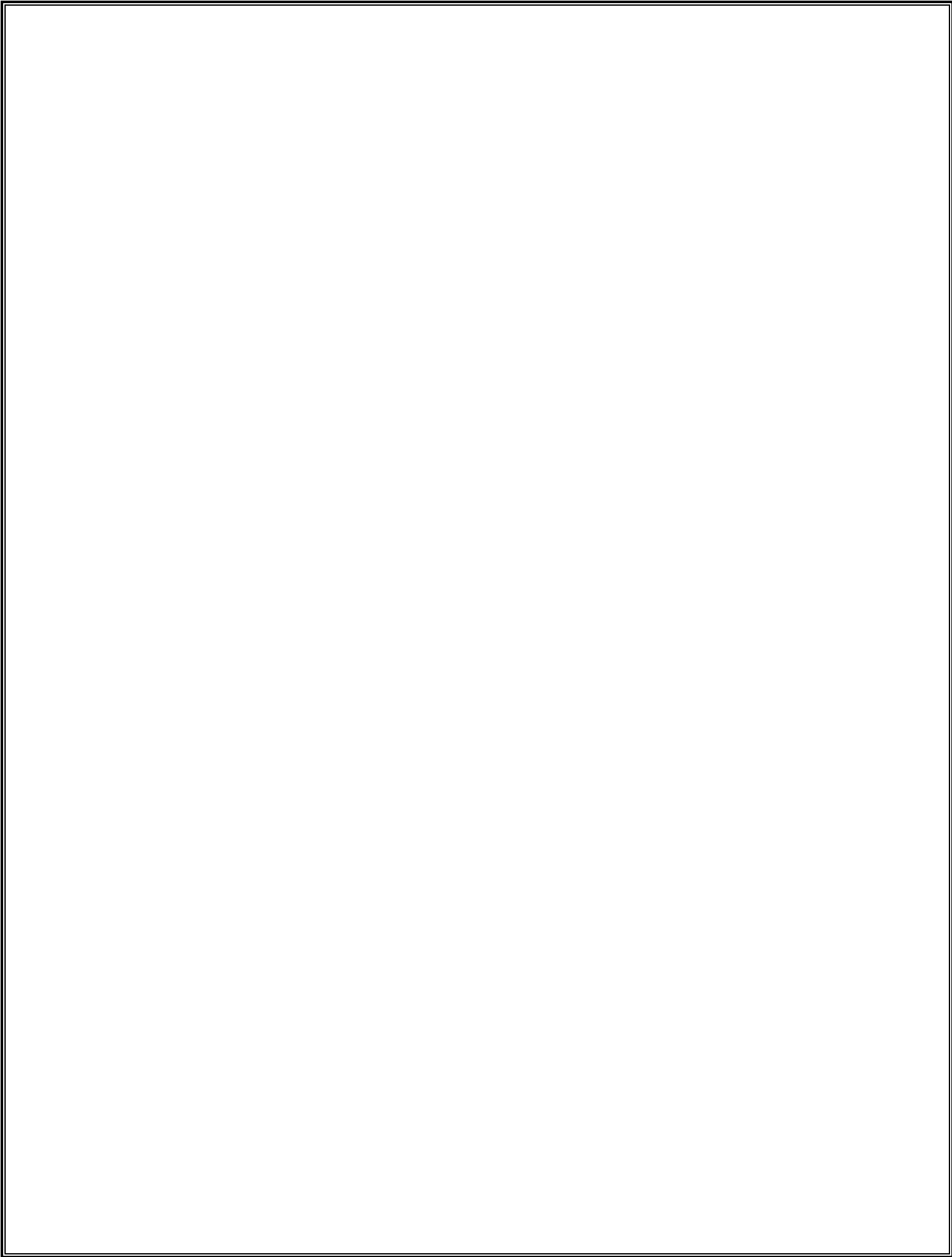
Presented for your consideration is the City of Chula Vista's first ever biennial spending plan for the City of Chula Vista, covering the fiscal years ending June 30, 2002 and 2003. With your concurrence and wholehearted support, the change from an annual to a biennial budget process continues our joint efforts to enhance the planning and management of the growth of the City by taking a longer-term view. This is further evidenced by the multi-year labor contracts in place with all bargaining units and recently prepared five-year fiscal forecasts.

The budgets presented in this document include adequate funding to maintain the current high levels of service in all areas, which is a significant accomplishment given the City's rapid growth, the energy crisis, and slowing economy, while also providing some minimal service level enhancements.

The adopted budget for fiscal year 2002 represents a comprehensive spending plan for all Funds totaling \$228.6 million, a 13.6 percent increase over the fiscal year 2001 budget. This includes a General Fund operating budget of \$100.9 million, which is a 6.5 percent increase over the fiscal year 2001 amended budget.

***The recommended budget for fiscal year 2002 represents a comprehensive spending plan for all Funds totaling \$228.6 million, a 13.6 percent increase over the fiscal year 2001 adopted budget.***

The fiscal year 2003 adopted spending plan for all Funds totals \$197.5 million, a 13.6 percent decrease from the previous years spending level. This includes a General Fund operating budget of \$103 million, which represents a 2.2 percent increase over the fiscal year 2002 budget. The spending plan for all funds for fiscal year 2003 includes much less at this time than will ultimately be recommended for appropriation a year from now. In addition, certain programs such as the Community Development Block Grant (CDBG) that are dependent on annual funding allocations are not included at this time. Estimated revenues for the General Fund are projected at levels sufficient to fund the operating budgets for both years without the need to dip into reserves.



## **EXECUTIVE SUMMARY**

At its priority setting session in January 2001, the City Council identified funding priorities for maintaining and enhancing service levels throughout the City. The budget for fiscal year 2002 and the spending plan for fiscal year 2003 respond to these priorities by ensuring public safety and infrastructure maintenance are funded sufficiently to retain current service levels given the City's rapid growth. This brief summary and the more detailed discussion of individual issues that follows are presented in a format that reflects those priorities.

The budget also provides for cost effective service enhancements in the areas of public safety, economic development, neighborhood revitalization, crime prevention, after school programs, recreation and library services. This is all accomplished within a budget that maintains necessary funding for the backbone city services including vehicle and technology replacement, equipment maintenance, and general, technical and safety training to ensure high levels of productivity and efficiency.

## **ECONOMIC DEVELOPMENT AND NEIGHBORHOOD REVITALIZATION**

In addition to addressing vital maintenance of the City's infrastructure, equipment, service levels and productivity, this budget addresses Council's desire to look towards the future to pursue economic development opportunities and revitalize Chula Vista. The budget includes significant funding of economic development initiatives, completion of the Economic Development Strategy and the Business Response Team. The budget also includes \$90,000 annually for marketing the South Bay Enterprise Zone, \$42,500 to update the City's economic development brochure and to develop a complementary CD ROM for use in attracting businesses to Chula Vista, and \$50,000 to significantly expand the City's participation in the San Diego Regional Economic Development Commission. The Redevelopment Agency budget includes \$395,000 in additional funding for neighborhood revitalization efforts in most redevelopment areas including Otay Valley, Southwest, Town Centre I and Town Centre II.

## **PUBLIC SAFETY SERVICES**

Public Safety has been enhanced through full year funding of various proposals adopted by Council during fiscal year 2001. These proposals included:

- Adoption of the team policing concept and the addition of seven sworn staff (\$485,000) meant to improve the effectiveness of existing staff by enhancing training and reducing response times by increasing beat coverage in eastern Chula Vista.
- The advance hire program which allows up to five officers to be hired prior to vacancies existing should also assist in reducing response times as it will reduce vacancy rates that previously occurred due to turnover.

In addition to fully funding these programs adopted by Council in fiscal year 2001, this budget enhances safety services further by augmenting police services in the following areas:

- Adding four new sworn school resource officers in January 2002 (\$300,000).
- Adding an investigative aide to assist with cold homicide cases (\$42,000) and a Community Service Officer in Family Protection (\$40,000) in July 2001.

Furthermore, response times and service levels will be enhanced by the recent decision to separate fire and police dispatch services, when the City joins the Heartland Joint Powers Authority (JPA) for fire dispatching services (\$235,000). Once fire dispatch is transferred to Heartland, staff will conduct a staffing study of police dispatch services to ensure this important component of police response is adequately staffed now and in the future.

Funding was also included in the budget to replace defibrillators, vetter bags, and an air compressor (\$94,000), essential equipment for responding to emergencies. Fire staff will also be reviewing the City's emergency plan during the upcoming fiscal year and possibly be coming back to Council with a report on the status of the plan and any additional funding needs related to updating the emergency plan once the review is complete.

## **INFRASTRUCTURE MAINTENANCE**

Infrastructure maintenance has been enhanced through full year funding of the \$712,000 in additional staff and other resources approved mid-fiscal year 2001 for street maintenance, urban forestry, and traffic operations maintenance. These appropriations will allow the City to maintain road conditions, street markings, signage and trees at the current level. The addition of another street maintenance crew will enhance street repair services by allowing street crews to focus on proactive street repairs as well as emergency repairs, thus prolonging street life and reducing future repair costs. The Capital Improvement Plan (CIP) budget further augments the City's commitment to addressing deferred street maintenance with an additional \$7.1 million pledged in fiscal year 2002 and fiscal year 2003 for street rehabilitation.

The budget includes funding for additional positions needed to maintain the City's growing building, park and open space infrastructure. This includes funding for an additional 4.75 custodians and 2 construction specialists at a cost of \$248,000 to allow for proper maintenance of the new corporation yard, the Heritage Park Community Center, the animal care facility and other buildings. These positions will enable staff to maintain the existing and new facilities at an appropriate level for the public as well as avoid costly future repairs that would be likely if adequate maintenance was not funded. In addition, two positions have been added to Engineering in the building projects section (\$100,000). These positions will ensure that construction of the new police facility, civic center, fire stations, and other City buildings are properly monitored, thus avoiding costly construction problems down the road.

The budget includes funding for two additional gardeners and one lead ranger in fiscal year 2002 and one additional gardener in fiscal year 2003 to ensure that park maintenance standards set by Council do not erode as additional park acreage is added (\$139,000). The budget also includes funding for an Open Space Supervisor position (\$70,000) to handle the increasing workload brought on by the addition of many new Open Space Districts. Early in the fiscal year staff will be coming to Council with a report on the Multiple Species

Conservation Plan (MSCP) including a work plan and funding options to meet the City's obligation to protect the environment.

Lastly, the budget includes funding for an additional Civil Engineer (\$78,000) to develop a response to the new NPDES permit requirements. This engineer will develop a plan for addressing these requirements that will be brought forward to Council with recommendations and funding options during fiscal year 2002.

## **LEISURE SERVICES**

Significant improvements have been made to after school programs in this budget to address increased student participation. These improvements include the addition of a Recreation Supervisor for the Middle School program (\$45,000) and 9 new Dynamic After School Hours (DASH) sites (\$277,000) over the two-year period. The new DASH sites will ensure that each existing planned elementary school will be serviced with either a DASH or Safe Time For Recreation, Enrichment And Tutoring (STRETCH) program.

The Library has embraced the public's reliance on new technology by introducing a web-based online-library-system. Library services are being enhanced throughout the City in fiscal year 2002 with \$50,000 to be spent on enhancing the library's online subscription databases to ensure that sufficient materials are available to the growing population prior to the East Side Library opening. In fiscal year 2002 the library will also be preparing a strategic plan to guide successful service development reflecting the community needs. In fiscal year 2003, the South Chula Vista Library operating hours will be extended from 48 to 56 hours per week, providing better service to the residents at a cost of \$89,000.

The opening of Heritage Park Community Center, slated to open Autumn 2001, will provide additional services convenient to East Chula Vista residents (\$151,000). Staff has surveyed the surrounding community to develop a curriculum that addresses community interests. Staffing at existing facilities has also been augmented where needed to ensure an appropriate level of supervision for participation safety and enjoyment. An additional \$7000 has been allocated to further promote neighborhood events such the bi-annual dance recitals, the annual Spring Easter egg hunt, and therapeutics programs that have been received very positively by the community.

## **EQUIPMENT MAINTENANCE**

The budget ensures that the City's inventory of equipment and vehicles is adequately serviced and that future replacement costs are adequately funded. The budget includes sufficient vehicle maintenance and replacement funds taking into account the growing fleet. To address the City's growing fleet of vehicles, the fiscal year 2002 budget includes funding for an additional Garage Shop Supervisor and a Shop Technician to assist in outfitting vehicle communications. The fiscal year 2003 spending plan includes funding for a new Electronics Technician in order to adequately service the City's growing radio inventory. The budget also includes \$872,000 for technology replacement and hardware and software maintenance as well as an additional \$40,000 in fiscal year 2003 for specialized technology training for

Management & Information Services (MIS) staff to ensure the City stays abreast of technological advancements and takes advantage of the resulting efficiencies.

## **PUBLIC INVOLVEMENT AND COMMUNICATION**

The budget includes full-year funding (\$129,000) for the implementation of the communications plan approved during the fiscal year 2001. This plan will enhance communications with the citizens of Chula Vista through the Internet and other mediums to ensure that citizens have easy access to their government and are aware of the services and events offered. The General Plan amendment currently under way will be coming back to Council in a few months with a detailed work plan and funding recommendations. This effort will provide many opportunities for citizen input into the future of Chula Vista and engage citizens, businesses and community leaders in the process of planning the City's future. To further augment this effort, the budget includes funding for a citizen survey on fire and other public services. During the next two years staff will be utilizing this information to further develop performance measures that can be used to ensure the City is providing the right services at the right levels and in the right way.



## BUDGET SUMMARY – GENERAL FUND

The General Fund budget for fiscal year 2002 totals \$100.9 million. This amount represents a \$6.2 million or 6.5 percent increase over the fiscal year 2001 amended budget. The most significant factors responsible for this growth include:

***The General Fund budget for fiscal year 2002 totals \$100.9 million ...a 6.5 percent increase over the fiscal year 2001 amended budget.***

- Full year funding for 34.25 new positions approved during fiscal year 2001 (\$1.79 million with \$1.1 million in offsetting revenue for a net cost of \$0.69 million).
- Compensation increases required by negotiated labor agreements (\$1.75 million with offsetting revenue of \$350,000 for a net cost of \$1.4 million), including:
  - Police Officer's Association – \$580,500
  - International Association of Fire Fighters – \$184,840
  - Other – \$1,000,000
- Funding for 33 new permanent positions, primarily in the Public Works (15.5 positions) and Police Departments (9 positions) (\$1.6 million with offsetting revenue of \$0.9 million for a net cost of \$0.7 million) .
- Increased energy costs due to rate increases and new facilities (\$1 million) .
- Increased charges for vehicle maintenance and replacement due to additional vehicles, higher fuel costs, etc. (\$1 million).

These increases are partially offset by decreases in capital project and capital equipment expenditures, which were extraordinarily high during the fiscal year 2001 (\$2.87 million).

The General Fund budget for fiscal year 2003 totals \$103 million. This amount represents a \$2.2 million or 2.2 percent increase over the fiscal year 2002 budget. The most significant factors responsible for this growth include:

***The General Fund budget for fiscal year 2003 totals \$103 million ...a 2.2 percent increase over the fiscal year 2002 budget.***

- Police Department employee compensation increases required under the current labor agreement and for added cost of new positions added in fiscal year 2002 (\$1.1million).
- Department of Public Works employee compensation for the added cost of new positions added in fiscal year 2002 and two additional positions that will be added in fiscal year 2003 (\$0.5 million)

- Compensation increases required under current labor agreement with IAFF (\$267,000)
- Increased costs for new personnel required due to expanded Library hours and four additional DASH program sites (\$230,000)
- Increased charges to maintain and replace additional equipment and increased fuel costs (\$142,000)

### General Fund Budget Summary In Thousands (000)

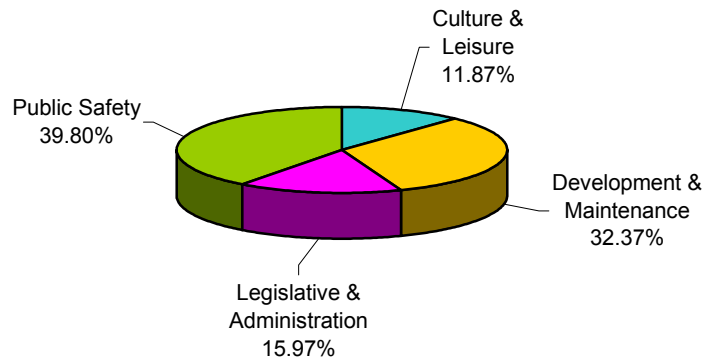
	FY01	FY02		FY03	
	Amended	Adopted	Inc. (Dec).	Adopted	Inc. (Dec).
Personnel Services	\$ 66,574	\$ 73,865	\$ 7,291	\$ 76,146	\$ 2,281
Supplies & Services	18,280	21,566	3,286	21,981	415
Other Expenses	823	706	(117)	696	(10)
Operating Capital	1,901	635	(1,266)	106	(529)
Debt Service/Transfers Out	5,584	4,060	(1,524)	4,127	67
Capital Improvement Projects	1,522	37	(1,485)	-	(37)
<b>Total</b>	<b>\$ 94,684</b>	<b>\$ 100,868</b>	<b>\$ 6,185</b>	<b>\$ 103,055</b>	<b>\$ 2,187</b>

Permanent Positions	993	1,026	32	1,030	4
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As you can see in the following chart, Public Safety continues to represent the largest percentage of the budget (39.8%) followed by Development and Maintenance (32.37%).

### General Fund Budget by Major Groups Fiscal Year 2002



On an individual department basis, for fiscal year 2002 the Department of Public Works realized the largest dollar increase amounting to \$3.2 million (16.0%) followed by the Police Department (\$2.8 million, 10.1%). The Department of Parks & Recreation received the

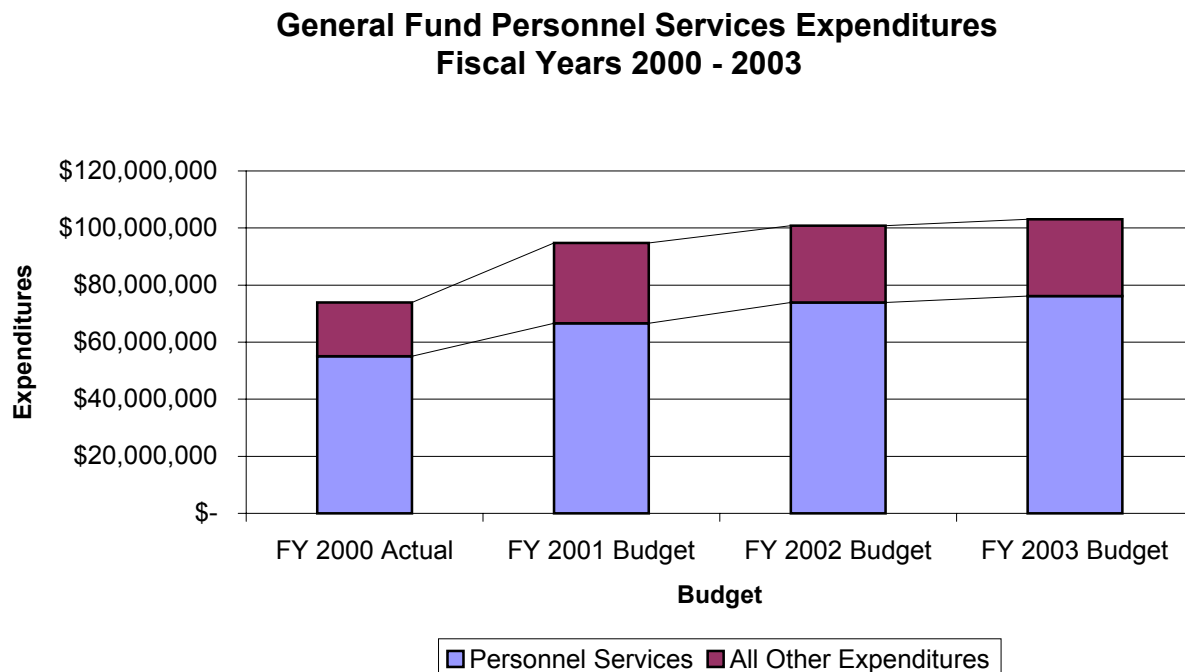
largest percentage increase (21.8%, \$842,403) followed by the City Attorney's Office (16.3%, \$209,059). The primary factors in the increases for each of these departments are the cost of adding staff, either mid-way through the fiscal year 2001 or added as part of this budget, or both, as well as increased utility and fleet maintenance and replacement costs. In the Police Department, there is also a significant cost due to requirements for compensation increases under the recently negotiated labor contract.

In fiscal year 2003 the Police Department will realize the largest dollar increase amounting to \$947,794 (3.1%) followed by the Department of Public Works (\$616,846, 2.8%). The Department of Management & Information Services received the largest percentage increase (4.5%, \$119,034) followed by the Library (3.3%, \$242,138). Again, the primary factor in these increases is the cost of added staff and/or compensation increases required under labor contracts, but also includes specialized technology training and miscellaneous service and supplies increases.

## **SALARY AND BENEFITS**

Employee salaries and benefits (collectively referred to as personnel service expenditures) have historically comprised the largest component of General Fund expenditures. For fiscal years 2002 and 2003 expenditures on personnel services represent 73 and 74 percent of total General Fund expenditures respectively. This is somewhat higher than fiscal year 2001 but slightly less than fiscal year 2000 where expenditures on personnel services represented 70 and 75 percent of the respective General Fund budgets.

The following graph depicts actual and/or budgeted expenditures on personnel services relative to all other expenditures for fiscal years 2000 through 2003.



This large commitment of General Fund resources to personnel services mirrors the City's commitment to maintaining the most qualified and capable staff available. It is the ongoing policy of the City Council to attempt to compensate all classifications of non-safety personnel at levels above the median rate for similar jurisdictions. Furthermore, the new memorandums of understanding reached between the City and police and fire personnel place these individuals among the highest compensated safety personnel in San Diego County.

## **STAFFING ADJUSTMENTS**

During the past three fiscal years a net increase of 193.5 positions has been approved. There were many reasons for this increase:

- The stronger economy increased development-related staffing requirements by 66 positions: 30 in Planning/Building, 25 in Engineering, 6 in Park Planning and 5 in Community Development. New residential and commercial valuations are indicative of expanded development activities; between 1998 and 2000, residential permit valuations increased 82% from \$225 million to \$410 million, and commercial permit valuations increased 353% from \$15 million to \$68 million.
- Public safety personnel changes resulted in a net increase of 52.5 positions. The Police Department, due to an increase in population, required an additional 55.5 positions, of which 43 positions were "badge" personnel. The City Council's commitment to law enforcement is reflected in the 20.1% decrease in Part I crimes over the past six years even though the population has increase 14.2%. In contrast to the Police Department's increase, the Fire Department actually saw a decrease in personnel of 3 positions due to the implementation of a constant minimum staffing program.
- Additional support services in human resources, information technology, administration, attorney and finance are needed for a rapidly growing City, therefore an increase of 36.75 positions has been authorized to address these concerns; 12.25 in Human Resources, 8 in Management Information Services, 7.5 in Administration, 4 in City Clerk, 3 in Finance and 2 in City Attorney.
- To maintain the expanding City's parks, street and sewer infrastructure, an additional 28.5 positions have been added to the Public Works Operations Division.
- Opening of new recreational centers and expanded library services resulted in a need for 9.75 more positions; 6 in Recreation and 3.75 in the Library.

The pace of ramping up the workforce is not anticipated to continue. It is important to note that 34.1% of 193.5 new positions were directly related to development activities. Obviously, if the economy slows down, these positions would be subject to reduction.

The budgets for fiscal years 2002 and 2003 include a net increase of 36.75 new permanent positions. These positions are primarily needed to maintain current service levels in the

growing City and to further enhance important crime prevention and after school programs. The greatest number of new positions is in Public Works (17.5), Police (9) and Recreation (5.0). The following tables summarize new positions approved for fiscal years 2002 and 2003 by department and program.

**New Positions for Fiscal Year 2002  
by Department and Program**

<b>Department</b>	<b>Program</b>	<b>Position</b>	<b>#</b>
Police (9)	School Resource Officer Program	Peace Officer	4
	Investigations-Family Protection	Comm. Serv. Officer	1
	Investigations-Cold Crimes	Investigative Aide	1
	Patrol Support Services	Admin Office Asst.	1
	Animal Facility Care	Reg. Veterinary Tech.	1
	Animal Facility Customer Service	Customer Serv. Rep.	1
Public Works (15.5)	Facility Maintenance	Custodian	3.5
		Construction Specialist	2
	Park Maintenance	Gardener	2
		Lead Ranger	1
	Open Space Maintenance	Sr. Open Sp. Inspector	1
	Fleet Maintenance (Fleet Mngmt. Fund)	Shop Supervisor	1
	Communications	Shop Technician	1
	Building CIP Oversight	Bldg. Projects Mgr.	1
		Bldg. Projects Supvsr.	1
	Storm Drain-NPDES Plan	Civil Engineer	1
	Inspections-Safety	Maintenance Worker	1
Parks & Rec (5)	New Facility Programming	Recreation Supervisor	2
	Middle School Prog.-Workload	Recreation Supervisor	1
	Existing Facility-Workload	Recreation Supervisor	1
		Sr. Lifeguard	0.25
	Brochure-Workload	Graphic Artist	0.75
Library (3)	After School Programs	Literacy Supervisor	1
		Extended Day Supvsr.	1
	Department & ODT Support	Ad. Office Specialist	1
Finance (.5)	Payroll Support-Workload	Accounting Assistant	0.5
<b>Total Positions Fiscal Year 2002 All Funds</b>			<b>33</b>

### New Positions for Fiscal Year 2003 by Department and Program

Department	Program	Position	#
Public Works (2)	Radio Maintenance	Electronics Technician	1
	Park Maintenance	Gardener	1
Library (1.75)	Additional So. CV Library hours	Librarian I	0.75
		Library Associate	0.5
		Circulation Assistant	0.5
Total Positions Fiscal Year 2003 All Funds			3.75

### **GENERAL FUND REVENUES**

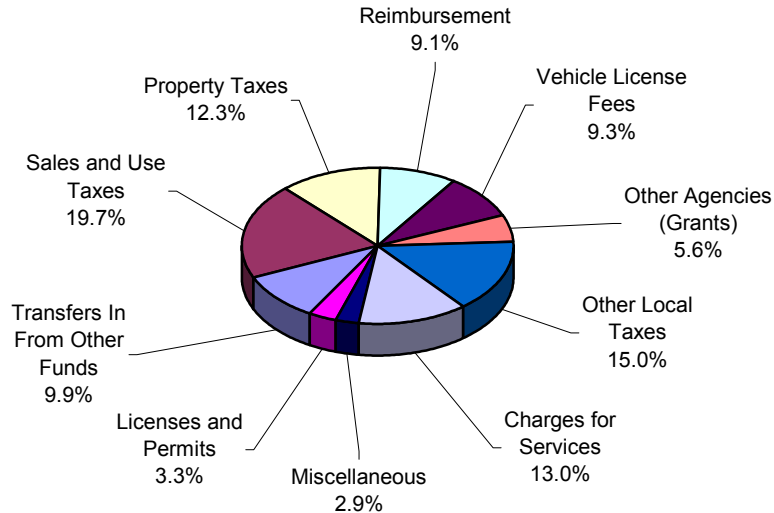
The City has identified an amount of revenue sufficient to support the budget with no impact on the estimated beginning fund balance, i.e., the budget is funded without the use of reserves. The reserve balance at the beginning of the fiscal year 2001 was \$15.6 million. At this time it is projected that we will end the fiscal year 2001 with reserve levels of between \$17.5 – 19 million. This represents a reserve level of between 17.4 percent and 18.9 percent of the budget, which exceeds the 8 percent target level stated in the Council Policy.

***The City has identified an amount of revenue sufficient to support the adopted budget with no impact on the estimated beginning fund balance.***

Estimated General Fund Revenues for fiscal year 2002 (\$100.9 million) are projected to increase by 6.5 percent over the fiscal year 2001 projected amount (\$94.7 million). Although continuing to reflect fairly strong growth, the rate of growth is projected to slow from the 12.8 percent rate of growth experienced in fiscal year 2001.

It should be noted that the estimated revenues do not include an amount for any continued State Educational Revenue Augmentation Fund (ERAF) bailout monies (\$600,000), since this subvention was deleted in the latest Governor's Budget update, but do include full continuation of the State backfill of the Motor Vehicle License Fee reduction (\$3.5 million) which may also be either fully or partially in jeopardy due to the State's energy-driven budget problems. In addition, estimates for property taxes, utility user's taxes, and franchise fees assume that San Diego Gas & Electric and Southern California Edison continue to pay their property taxes (City share = \$202,000) and that energy usage by consumers and rates charged to consumers remain roughly at current levels.

### General Fund Revenues by Category Fiscal Year 2002



The following table lists the various revenue categories comparing projected revenues for fiscal year 2001 and estimated revenues for fiscal years 2002 and 2003. The two categories showing the highest single year dollar increase between projected revenues for fiscal year 2001 and estimated revenues for fiscal year 2002 are Transfers In From Other Funds (\$1.9 million or 23.3%) and Sales and Use Taxes (\$1.2 million or 6.5%) which is largely due to adjusted full cost recovery rates and continued growth in the local economy, respectively.

### General Fund Revenues (Projected vs. Estimated) In Thousands (000)

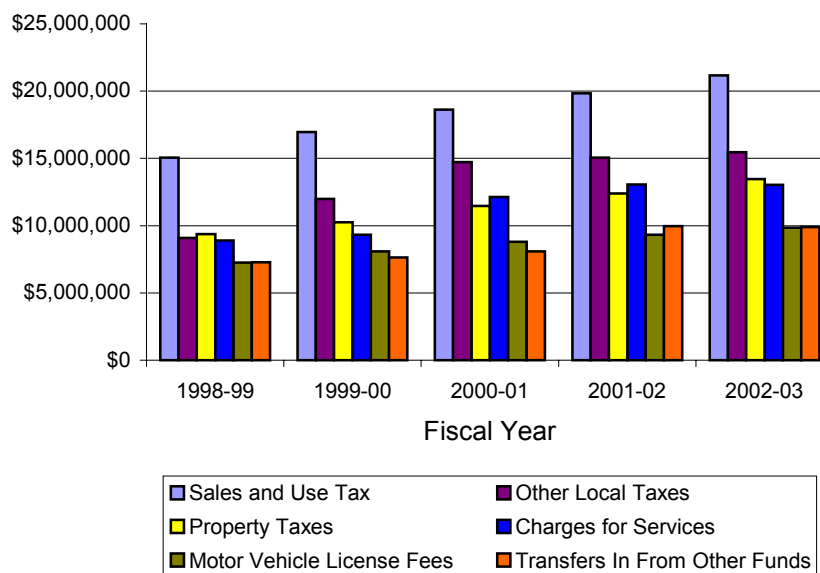
	FY01	FY02			FY03		
	Projected	Estimated	Inc/(Dec)	% Change	Estimated	Inc/(Dec)	% Change
Transfers In From Other Funds	8,088	9,970	1,882	23.3%	9,898	(72)	-0.7%
Sales and Use Taxes	18,626	19,837	1,211	6.5%	21,176	1,339	6.8%
Property Taxes	11,465	12,401	936	8.2%	13,471	1,070	8.6%
Charges for Services	12,139	13,187	1,048	8.6%	13,132	(55)	-0.4%
Reimbursements	8,600	9,132	532	6.2%	9,438	306	3.4%
Vehicle License Fees	8,798	9,326	528	6.0%	9,839	513	5.5%
Other Agencies (Grants)	5,196	5,697	501	9.6%	4,363	(1,334)	-23.4%
Other Local Taxes	14,726	15,061	335	2.3%	15,459	398	2.6%
Miscellaneous	3,372	2,921	(451)	-13.4%	2,932	11	0.9%
Licenses and Permits	3,674	3,336	(338)	-9.2%	3,347	11	0.3%
<b>Total General Fund Revenues</b>	<b>\$ 94,684</b>	<b>\$ 100,868</b>	<b>\$ 6,184</b>	<b>6.5%</b>	<b>\$ 103,055</b>	<b>\$ 2,187</b>	<b>2.2%</b>

Offsetting these estimated increases are projected decreases in Licenses & Permits (\$338,000 or -9.2%), due to the recently completed Building Fee Study, and Miscellaneous revenues (\$451,000 or -13.4%) due primarily to conservative investment earnings projected as a result of decreased interest rates.

The largest dollar increase between fiscal year 2002 and fiscal year 2003 is projected in Sales and Use Tax (\$1.3 million or 6.8%) and Property Taxes (\$1.1 million or 8.6%). This is due to the anticipated continued growth in the eastern portion of the City. The largest decrease in revenues is anticipated in Revenues from Other Agencies – Grants (\$1.3 million or -23.4%) which is primarily due to a drop off in police grant revenues.

The following graph depicts a three-year history and estimated revenues for fiscal years 2002 and 2003 for the six largest revenue categories.

**Historical and Estimated General Fund Revenue Sources  
Fiscal Years 1999 - 2003**



## Sales and Use Tax Revenue

**\$19,837,000**

The City receives 1% in sales and use tax revenue from all taxable retail sales occurring within the City limits. These funds are collected by the State along with their 6.5% component of the sales and use tax for a total sales tax rate within San Diego County of 7.5%. Although this revenue source has increased by 12.6% and 11% over the previous two fiscal years respectively, those years are viewed as welcome exceptions to long term trends indicating strong but moderate growth in the 5% to 8% range. Based on these long-term trends and the City's continued rapid population growth, increases in this revenue source are projected at 6.5% and 6.8% for the next two fiscal years.



## Property Tax Revenue

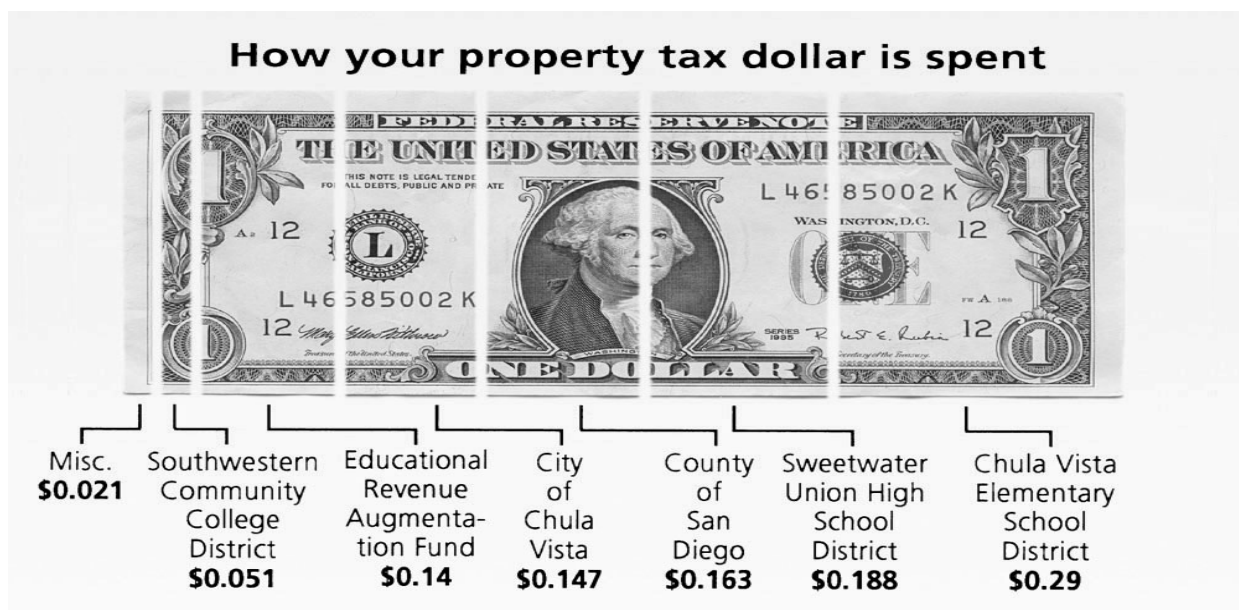
**\$12,401,000**

Under State law since 1979, property taxes for general government purposes are limited to 1% of the market value of the property assessed. Assessment of qualifying property, as well as collection and apportionment of tax revenues are all functions performed by the County. Assessment increases to reflect current market value are only allowed when property changes hands or when the property is improved. Otherwise, annual assessment value increases are limited to 2% or the increase in the consumer price index, whichever is lower. This revenue source has increased by 9.3% and 12.3% over the previous two fiscal years respectively. Due to the expected continued rapid growth in the eastern portion of the City, this revenue source is conservatively projected to grow by 8.2% for fiscal year 2002 and another 8.6% for fiscal year 2003.

Many residents believe that their property tax pays for local government. The reality of this tax is that the City of Chula Vista receives an average of 14.7 cents out of every property tax dollar paid by City residents. This is less than the amount received by the school districts and the County. In fact, the amount the City receives is only slightly less than the amount that the City and the County lose each year to the Educational Revenue Augmentation Fund (ERAF). The ERAF is the amount the State takes from both cities and counties to provide additional funding for schools. The City's ERAF loss projected for fiscal year 2002 is \$3.4 million, for a \$23.7 million cumulative reduction since ERAF began in fiscal year 1993.

In the fiscal year 2002 budget, the amount of estimated property tax revenue will only be sufficient to fund 31 percent of the combined budgets of \$40.1 million for police and fire services. Unfortunately, public safety expenditures are growing faster than property tax revenues. Six years ago, this revenue source was sufficient to cover 35 percent of the cost of providing public safety.

***...the amount of estimated property tax revenue will only be sufficient to fund 31% of the \$40.1 million budgeted for police and fire services.***



## **Motor Vehicle License Fees**

**\$9,326,000**

Vehicle license fees are imposed annually by the State based on a percentage of motor vehicle market value. Prior to 1999, the fee was assessed at the rate of 2%, with Cities and Counties splitting equal shares of 81.25% of this revenue based on relative population. Since 1999, various legislative actions have decreased the fee imposed to the point where for fiscal year 2002, the rate applied is only 0.65% of vehicle market value. Included in the same State legislation was the requirement for the State to “backfill” the revenue loss attributable to the rate reductions for Cities and Counties. To date, the City is continuing to be kept whole by the State, but how long this will continue is anyone’s guess. This revenue source has increased by 11.5% and 14% over the previous two fiscal years respectively, and is conservatively projected to grow by 1.2% and 5.5% for the next two fiscal years. The unusually low projection for fiscal year 2002 is the result of fiscal year 2001 revenues coming in significantly higher than anticipated over the last two months of the fiscal year after budget projections were finalized.

## **Other Revenue**

Revenue projections are continually reviewed and updated by City staff. As described above, major general revenues (i.e., property taxes, sales taxes, franchise fees and motor vehicle license fees) are projected by the Finance Department based on prior history, growth and inflation projections, and economic climate. Other general revenues and program revenues are projected based on category. These revenues are placed in “projection categories” and preliminarily projections are made based on the category. Major projection categories include:

- Revenues affected by population growth (e.g., utility users tax, alarm permits, dog licenses, recreation fees, library fines) were estimated based on projected prior year actual revenues increased by population growth, which has been projected by the City’s Planning Department at 3% for fiscal years 2002 and 2003.
- Revenues affected by salary increases (e.g., reimbursements from other City funds, deposit-based developer fees) were estimated based on projected prior year actual revenues adjusted for anticipated changes in activity levels and salary increased adopted in MOUs or compensation resolutions.
- Revenues affected by development activities (e.g., building permits, plan check revenues) were adjusted based on Planning Department activity estimates and the projected impact of a fee adjustment adopted during fiscal year 2001.
- Revenues affected by CPI increases (e.g., Transient Occupancy Taxes) were estimated based on projected prior year actual revenues increased by anticipated increases in the San Diego All Urban Consumer Price Index, which was estimated by the City’s Finance Department at 3.5% for fiscal years 2002 and 2003.
- Flat revenues are those that do not fluctuate from year to year (e.g., certain revenues from other agencies) and are budgeted at the previous years projected revenue levels.

- Other revenues (e.g., one-time revenues that are budgeted based on anticipated events, grant revenues, sporadic and cyclical revenues) are adjusted based on information supplied by departments.

Preliminary program revenues are provided to the departments along with their baseline budgets. The departments then adjust these preliminary revenues if needed based on their knowledge of future events and activity levels.

The following table shows the City's projection for four major discretionary General Fund revenues for fiscal years 2002 – 2006.

**5-Year Projection of Major General Fund Revenues  
Fiscal Years 2002 – 2008  
In Thousands (000)**

	<b>FY02 Projected</b>	<b>FY03 Projected</b>	<b>FY04 Projected</b>	<b>FY05 Projected</b>	<b>FY06 Projected</b>
Sales and Use Taxes	20,675	22,019	23,120	24,276	25,489
Property Taxes	12,252	14,038	15,335	16,762	18,332
Vehicle License Fees	9,951	10,747	11,499	12,304	13,166
Other Local Taxes	15,818	16,229	16,716	17,217	17,734
<b>Total Major General Fund Revenues</b>	<b>\$59,196</b>	<b>\$63,033</b>	<b>\$66,670</b>	<b>\$70,559</b>	<b>\$74,721</b>

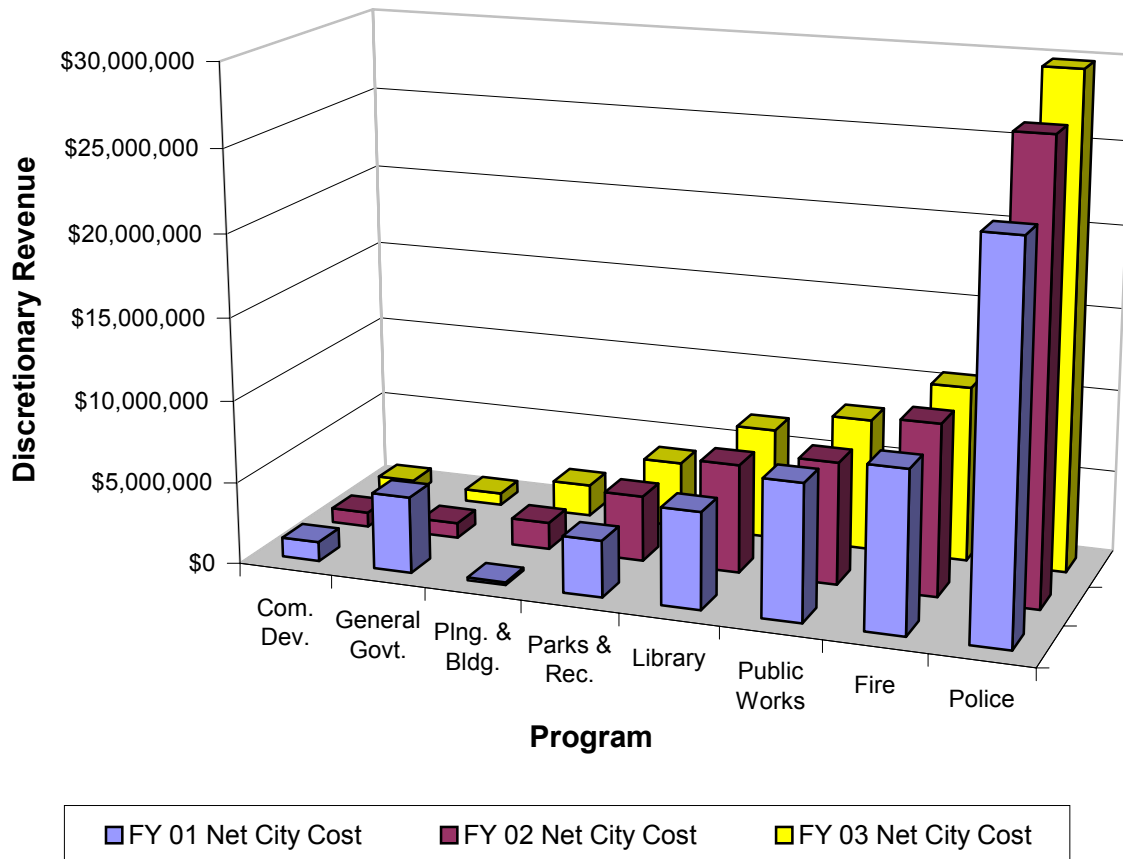
## **NET CITY COST**

As indicated in the Fiscal Policies and Basic Assumptions section the City is beginning to examine how various programs and City functions are funded and thereby determine the net cost of each program. In so doing, each program is reviewed to determine the percentage of program expenditures funded by general revenues versus program revenues. In order to accurately portray the true costs of individual programs, both indirect and direct costs are included in total program expenditures. Program revenues are broadly defined as those revenues generated by a given activity. Examples include grant revenues, charges for services, licenses, permits, etc. General revenues, often referred to as "discretionary revenues," are broadly defined as those revenues that are generated not by any given activity, but by general or specific taxing authority such as Property Taxes, Sales Tax, Vehicle License Fees, etc.

The fiscal year 2002 General Fund budget of \$100.9 million is based on funding from estimated program revenues totaling \$41 million. The remaining funds are discretionary revenues of \$59.7 million, which equals the net city cost. The graph below shows the allocation of discretionary revenues (i.e. net city cost) to each of the identified programs in fiscal years 2001, 2002 and 2003. The Police Department has historically absorbed the highest portion of discretionary revenues while the Department of Community Development has absorbed the lowest portion. The large spike in the allocation of discretionary revenue to General Government during fiscal year 2001 is explained primarily by one-time CIP expenditures. The increase in the allocation of discretionary revenue to the Department of

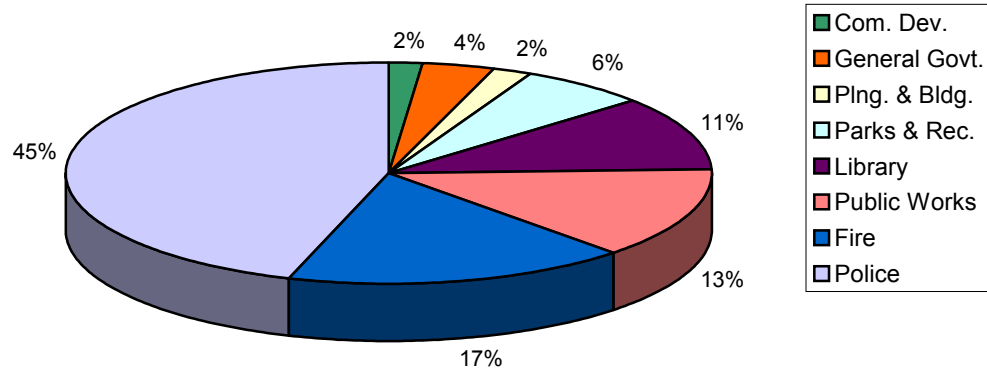
Planning and Building is explained by a reduction in program revenues resulting from Council's adoption of reduced permitting fees during fiscal year 2001.

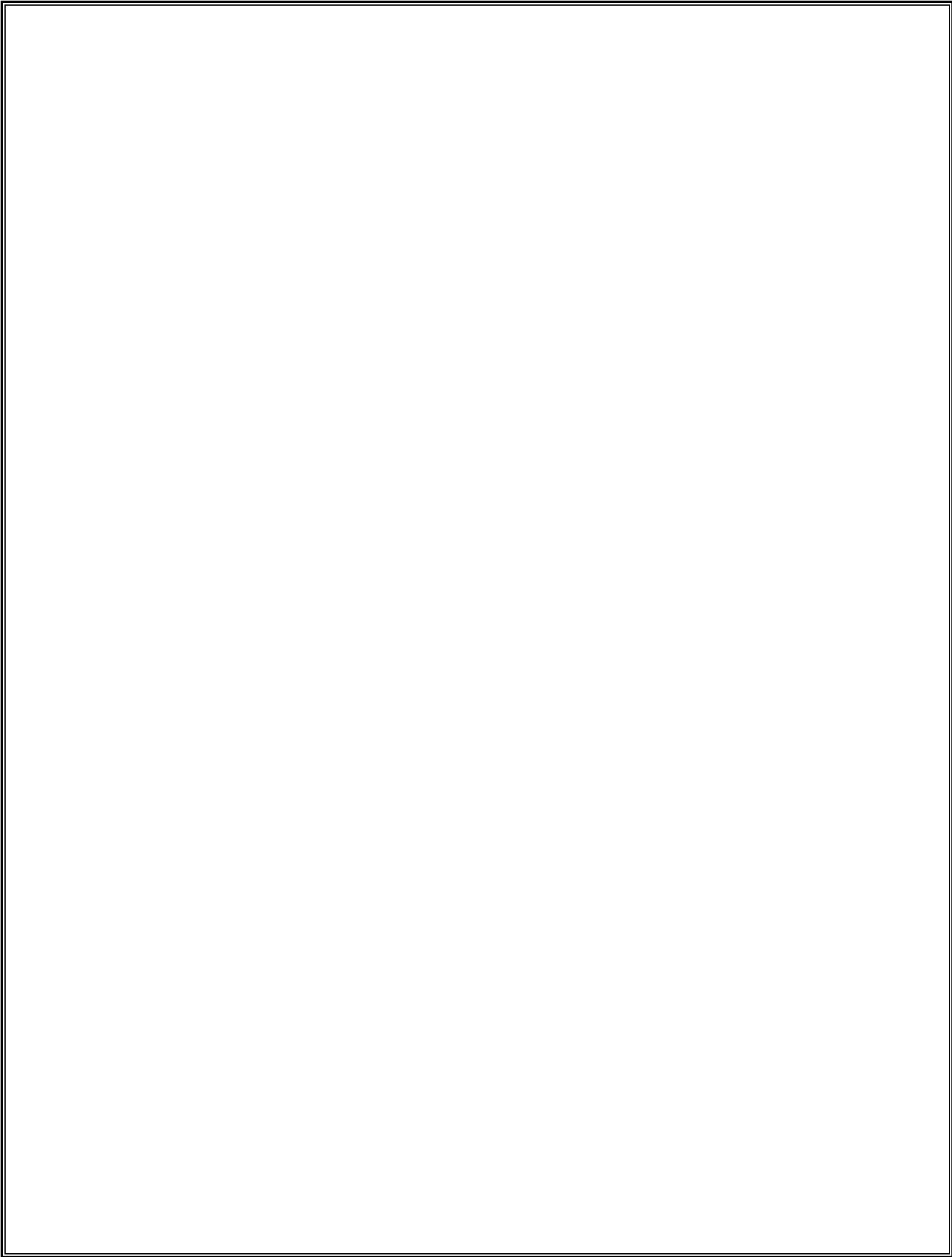
### Discretionary Revenues: Net City Cost (By Function)



Looking only at the average allocation of available discretionary revenues during fiscal years 2001, 2002, and 2003 for various types of City services on a percentage basis, Public Safety (Police and Fire) requires 62% of the available discretionary revenues. Leisure Services (Library and Parks & Recreation) requires 17% and Public Works 13% of the available discretionary revenues. The program requiring the least amount of discretionary funding is Development Services (Community Development and Planning & Building), which requires only 4% of available discretionary revenues.

**Average Distribution of Fiscal Years 2001 - 2003**  
**Discretionary Revenue: Net City Cost**





## **BUDGET HIGHLIGHTS AND FUTURE ISSUES**

This section presents the most significant new issues addressed within the overall funding allocations as well as major issues that may be brought forward during the year.

### **ECONOMIC DEVELOPMENT AND NEIGHBORHOOD REVITALIZATION**

#### **Economic Development**

- ***South Bay Enterprise Zone*** **\$90,000**

The former Otay Mesa/San Ysidro Enterprise Zone was expanded to include portions of the City of Chula Vista in late 2000. The expansion – now known as the South Bay Enterprise Zone (SBEZ) – is a joint effort of the City of Chula Vista, City of San Diego, San Diego Unified Port District and California Technology, Trade and Commerce Agency and now includes 7,000 total acres of commercial and industrial land, including approximately 425 acres along the Chula Vista Bayfront (the remaining land is within the City of San Diego). BF Goodrich, Duke Energy and Raytheon are the largest existing Chula Vista companies located within the SBEZ.

Chula Vista commercial and industrial firms located within zone boundaries can take advantage of substantial State financial incentives and benefits, including tax credits for hiring qualified employees, credits for sales or use tax paid on certain equipment, business expense deductions for personal property, net operating loss carryover and preference on State contracts. The budget includes \$90,000+ annually for the next seven years for staff services and marketing.

- ***Economic Development Strategy***

The City of Chula Vista is currently developing an Economic Development Strategy (EDS) to ensure the community's continued economic growth and vitality. Local and regional community leaders are an integral part of the public/private collaboration. More than 20 community sectors will be represented in the process, ranging from the County Board of Supervisors to major landowners and developers, and from Fortune 1000 corporate CEO's to leaders in education, transportation, finance, energy and international trade.

The City has contracted with Economics Research Associates (ERA) to facilitate the year-long effort (\$160,000), which will result in a basic blue print for short and long-range City development, ensuring a balanced, fiscally strong community. The EDS will become a tool for use by Council and staff in decision-making and priority setting, with the goal of increasing the standard of living for Chula Vista residents and providing additional tax revenue to support City services. The Economic Development Strategy will also be coordinated with the City's General Plan update and will ultimately include the preparation of an Economic Development Element of the General Plan.

- ***San Diego Regional Economic Development Commission*** **\$50,000**

Beginning this year the City will increase its annual investment in the San Diego Regional Economic Development Commission (Regional EDC) to \$50,000 annually. The Regional EDC is the primary economic development-oriented organization for the San Diego area, serving as a catalyst for addressing underlying issues affecting the regional business climate, with a focus on competitiveness and quality of life. Regional EDC activities include a business outreach and assistance program, consultation on projects that nurture economic prosperity, a number of regional collaborations and a marketing strategy for the San Diego region as a whole (San Diego: Technology's Perfect Climate). The City's investment will provide for increased collaboration and partnership with the Regional EDC in these economic development efforts. The City will also receive a position on the Regional EDC Board to be filled by the Community Development Director in return for our increased investment.

## **Redevelopment and Neighborhood Revitalization**

- ***General Agency*** **\$200,000**

Redevelopment Plan Amendments: Staff will proceed with preparing amendments of existing Redevelopment Plans (Town Centre I and II, Otay Valley Road, and Southwest) to adjust boundaries and assess the possibility of extending various timeframes for incurring debt and expenditure of funds for blight removal. Plan amendments will focus on providing financial stability in the Agency's continuing effort to eliminate blighting influences. The project will include formal blight survey and analysis, economic and financial impact analysis, preparation of all required documents, ordinances and resolutions, community meetings, environmental analysis and all other aspects of the plan amendment process as mandated by State law.

- ***Town Centre I*** **\$70,000**

Downtown Business Recruitment (\$20,000): This project is Phase II of the Third Avenue District Market Opportunity Study and Recruitment Strategy and calls for the preparation and implementation of a recruitment effort for the Third Avenue Downtown District. A Recruitment Consultant will be retained to prepare a full packet of recruitment outreach materials and tools for a retail recruitment effort focused on targeted retail categories.

Economic Incentive Fund (\$50,000): Beginning in fiscal year 2003 this fund will be utilized to create a formal program to assist targeted urban infill and rehabilitation development projects identified in the Third Avenue District Market Opportunity Study and Recruitment Strategy. The program will be used to assist with development fees and building retrofitting for Americans with Disabilities Act (ADA) compliance.



- **Otay Valley Road**

**\$85,000**

Land Use Analysis (Recyclers) (\$60,000): This project will retain a consultant firm to analyze and prepare a light industrial land use conversion plan for properties along Energy Way. The plan will include assessment of alternative locations for recycling operations in cooperation with the County of San Diego, the potential for assisting property and business owners with economic incentives, analysis of infrastructure needs and targeted cluster industry analysis.

Auto Park Master Plan (\$25,000): This project will retain a planning consultant to prepare design and signage concepts and master plan for the expansion of the Chula Vista Auto Park - Phase II. The plan will be prepared in conjunction with submittal of Auto Park Phase II entitlements.

- **Southwest**

**\$40,000**

Motel Conversion Study: Beginning in fiscal year 2003 this project will retain a planning consultant to analyze conversion of existing sub-standard motel properties located primarily along Broadway in the Southwest Project Area to appropriate commercial or mixed-use land use designations. The project will also assess economic feasibility and relocation/redevelopment constraints and opportunities. Expected cost next year: \$40,000.

- **FUTURE ISSUE – Expansion of Storefront Renovation Program**

The purpose of the expanded Storefront Renovation Program would be to work in partnership with private property and business owners in a targeted portion of the Town Centre I Redevelopment Project Area to:

- Revitalize and beautify Third Avenue in downtown Chula Vista,
- Increase property values and lease rates,
- Increase business and leisure visits to downtown and local businesses, and
- Expand investment opportunities.

The expanded program would seek to accomplish these objectives by providing top level professional architectural consulting, technical advice on the City's permitting process, and rebate grants on approved storefront renovation or signage projects. The maximum rebate amount currently is 50-percent with a dollar cap of \$7,500. The City also pays for five hours of architectural consulting with the firm Rodriguez & Simon of San Diego. In the coming fiscal year staff will evaluate the success of the current \$85,000 Town Centre I program. If the program has successfully met its stated objectives staff will then bring forward a report on program results and propose program expansion to additional areas.

## **PUBLIC SAFETY SERVICES**

### **Police Incidence Response**

- ***Team Policing and Advance Hire Program*** **\$485,000**

In March of 2000 Council approved the "Team Policing" deployment strategy. Team Policing deploys officers through a team system; that is the same officers, agent, sergeant and lieutenant will work together for a one-year period creating cohesive work units. This program also provides an opportunity to balance experience levels, improve supervision, promote continuity and cohesiveness, enhance training, solidify community policing and maximize deployment. The implementation of Team Policing also addressed three issues critical to the effectiveness of the Department: training, improving response times, and the initiation of the advance hire program.

Under the team concept each team will receive one day of training per month as part of their regular work schedule, for a total of 120 hours a year. This year's budget includes an increase to implement the training component. Training funds will be used to hire POST-certified instructors for the in-house training program. Additionally, a Department talent bank will be developed to tap internal expertise when possible and lieutenants and sergeants will lead certain training exercises.

It is anticipated that the addition of patrol staff during days and swings in the East will improve response time. The additional officers will be available to handle higher volumes of calls for service; additionally the need for back-up units from other sectors will be decreased. The \$485,000 cost of this service increase is offset by \$420,000 in grants in fiscal year 2002. In fiscal year 2003 grant support drops off to \$155,000, with the entire cost being borne by the General Fund in fiscal year 2005.

In 1999 the Patrol Staffing Model recommended that an Advance Hire program be established to mitigate projected turnover during the year. The GMOC supported staff's recommendation to implement an Advance Hire program. On average it takes eleven months to train a new recruit, seven months in the academy followed by four months of field training. The Advance Hire program will allow the Department to be adequately staffed to effectively implement both Team Policing and a formal training program. Without such a program, Patrol would be constantly understaffed.

- ***FUTURE ISSUE – Dispatch Staffing Study***

The Office of Budget and Analysis in conjunction with Police Department staff will be conducting a dispatch staffing study in fiscal year 2002. This study will ensure that staffing is sufficient to provide an adequate level of support now and in the future.

Traditionally, the Police Department has used a nationally recognized patrol staffing formula based on "call for service" workload and officer initiated activity to determine appropriate patrol staffing levels.

Staff will develop a similar workload-based model for dispatch, taking into account the recent decision to move fire dispatch from the City's police dispatch center to Heartland. Dispatch is a key component of patrol effectiveness and response times.

## **Police Investigations**

- ***Family Protection Community Service Officer*** **\$40,000**

The Department was awarded a COPS MORE grant for civilian positions; through the addition of civilians the department can re-deploy officers to community oriented policing projects. The awarded positions include a Community Service Officer to act as the Child Abuse/Elder Abuse Referral Coordinator. The cost of this position is fully offset by grant revenue in fiscal year 2002 and subsequently funded through discretionary revenues.

In 1999 the Detectives in the Family Protection Unit investigated 2,291 referrals of alleged child or elder abuse. The Community Service Officer will assist in the intake and initial investigation of child and elder abuse referrals allowing Detectives to implement a more proactive approach by working with local social services agencies and the community.

## **Police Prevention Activities**

- ***School Resource Officers*** **\$300,000**

Four additional School Resource Officers are to be added January of 2002. The Department recently was awarded a COPS in Schools grant. The grant application was a joint effort by the Department, the Chula Vista Elementary School District and the Sweetwater High School District. To date the SRO program has been very successful. The COPS in Schools program is based on the premise that trained law enforcement officers working in schools make a difference on many levels. They not only provide schools with on-site security and a link to local law enforcement but also through every day contact instill a sense of respect for officers among children.

School Resource Officers have become an essential part of ensuring school campuses throughout Chula Vista are safe and secure learning environments. Officers work with schools to conduct a variety of activities including teaching crime prevention and substance abuse prevention classes and monitoring troubled students. In essence, SRO's combine the function of law enforcement and education. Officers make arrests, conduct home visits to troubled students and truancy sweeps.

In fiscal year 2002 this program is fully funded through grants reimbursements from the elementary and high school districts. Grant revenues drop off incrementally through fiscal year 2006. Ongoing funding is 33% City and 67% school districts.

## Police Operations

- ***Grant Budgetary Impact***

**\$2,500,000**

The support of grant programs, such as Local Law Enforcement Block Grants and COPS grants, have enabled the City to postpone the full cost impact of new police positions and acquire the equipment needed to help the Police Department maintain service levels during years when adequate funding was unavailable. In funding personnel costs, these grants provide for partial funding over the life of the grant, then the General Fund incrementally absorbs the costs of these positions. This has been a strategy followed over the last five years. The amount of police grant funding absorbed by the General Fund in fiscal years 2002 and 2003 is \$1 million and \$1.5 million respectively. On the other hand, equipment purchases, such as the mobile command post, are one-time expenditures with minimal on-going cost.

Through federal, state, and other grant assistance the department has been able to implement a variety of very successful programs that have made a significant impact in reducing crime in the City of Chula Vista including the Crime Free Multi-Housing program.

- ***FUTURE ISSUE – New Police Facility***

**\$60,000,000**

Construction of a new police facility is of paramount importance to the provision of Police services. The Department has outgrown the existing facility. Staff continues to work with City Administration and Finance on funding issues, Jim McClaren and Gordon Carrier on design and Highland Partners on construction.



## Fire/Medical Incidence Response

- ***Heartland Dispatch Contract***

**\$235,000**

The fiscal year 2001 budget was amended to fund a new Fire Dispatch Service contract with Heartland Communications Authority. This new agreement will increase overall Fire Department efficiency. Heartland Communications Authority will provide dispatch services to all East County Fire Departments and all South Bay Fire Departments (excluding the City of Coronado). The new dispatch service is expected to improve response times and enhance the level of service. The method of station alerting and

personnel notification should reduce the overall dispatch time. It is anticipated to greatly improve coordination with other fire departments and allow dispatchers to provide essential instructions to victims while emergency vehicles are en route. As part of this budget amendment, 18 new portable radios and new mobile data terminals were purchased for all fire engines. Chula Vista will be part of a Joint Powers Authority and will have full rights and privileges to vote on matters related to cost or service increases.

As a full Joint Powers Authority member, Chula Vista will pay an on-going fee based upon a formula of number of radios, personnel, and incidents.

- ***Replacement of Fire Equipment***

**\$94,000**

In keeping with the City's efforts to maintain its equipment in good working order the fiscal year 2002 budget contains monies to update three major types of fire equipment needed to respond properly to medical and fire emergencies. The budget includes funds to replace Vetter bags, which are used during vehicle rescues, defibrillators, which are critical for medical response, and an air compressor, which is needed to keep firefighter air bottles filled.

## **Building Code Enforcement**

- ***FUTURE ISSUE – “Beat” System of Code Enforcement***

In order to continue to enhance the City's overall code enforcement program, the Planning and Building Department is reviewing the potential for establishing a “beat” system of code enforcement. This approach, which is based on a highly successful program that has been used in the City of Escondido for several years, would involve coordination with the Police Department street team and Community Development Department project managers to employ innovative and proactive methods to address community needs. For example, each officer would conduct housing inspections of multi-family residential complexes and hotel/motels in their “beat.” Code enforcement officers could also be assigned to conduct proactive enforcement of sign and landscape regulations in commercial areas where the City is installing streetscape improvements and other community improvements.

In addition, to implement a new rent control program for mobile home parks and to comply with the State mandated inspections of the parks in conformance with Title 25, staff will prepare a work plan and funding recommendation for this effort. These inspections are extremely important to assure safety to park residents as well as preservation of this needed stock of affordable housing.

Staff also intends to consider additional funding to assist the Community Development Department in the implementation of the Community Housing Improvement Program (CHIPS). This program will provide services to families of low and moderate income in an effort to improve their properties.

This proposed approach to code enforcement will focus on community appearance and preservation rather than simply responding to public complaints. The goal will be to reduce the requests for service or complaints through preventative action.

- ***FUTURE ISSUE – Comprehensive Zoning Code Update***

The City's Zoning Code has not been comprehensively updated for over 30 years, and therefore the document is antiquated and difficult to implement. As a result, the Planning and Building Department have had increasing difficulty in administering the ordinance, both in terms of zoning administration and permitting by the Planning Division, and code enforcement actions by the Building Division.

A proposed update would be completed in two phases. The first phase would overhaul the existing document by:

- Creating an updated code format incorporating on-line access to Zoning Code text and maps, and other improvements,
- Resolving internal inconsistencies and ambiguities within the existing code, and
- Updating policy areas that need immediate attention, such as sign regulations, fence regulations, and home occupation permits.

The second phase would involve integration of Planning Community District regulations from master planned communities into the Zoning Code, as well as addressing policy issues identified in the General Plan update that are related to the Zoning Code. The overall project is expected to cost between \$500,000 and \$600,000 and require three years for completion.

## **INFRASTRUCTURE MAINTENANCE**

### **Street and Sidewalk Maintenance**

- ***Impact of Increased Street Maintenance Funding*** **\$456,000**

The budget includes full-year funding of 6 new positions approved midway through the fiscal year 2001 for the Street Maintenance Section. This increase in staffing and equipment will allow the section to:

- Double street reconstruction work per year,
- Resurface an estimated 425 sewer lateral cuts annually,
- Repair an estimated 100 curb-lines per year,
- Continue to repair 4,500 potholes and place over 400 sidewalks wedges throughout the City annually, and
- Complete other tasks such as trash pickup, hauling and recycling and weed abatement to keep the streets clean.

- ***Impact of Increased Street Striping & Signing Funding*** **\$149,000**

The budget includes full-year funding of 3 new positions approved midway through the fiscal year 2001 for the Striping & Signing Section. This increase in staffing and equipment will allow the section to meet desired maintenance frequencies for the

maintenance of legends, curbs, crosswalks, parking stalls, pavement markers, and traffic signs. Failure to maintain street markings and traffic control signs appropriately can reduce safety, increase City liability and reduce the effectiveness of parking and traffic controls throughout the City.

## **Building Maintenance and Repair**

- ***Maintenance of New City Facilities*** **\$248,000**

Numerous facilities are scheduled for completion in fiscal year 2002 including the new Corporation Yard, Animal Shelter, and Heritage Park Community Center. Maintenance of these new facilities necessitates the addition of numerous positions.

Construction Specialists (\$88,000): A Construction Specialist I (HVAC) and Construction Specialist II (Plumber) were added to handle current and planned City buildings and facilities.

Custodial Staff (\$160,000): A permanent part-time Custodian was added for the new Heritage Park Community Center and two full-time Custodians were added to maintain the buildings associated with the new Corporation Yard. In addition, two permanent part-time Custodians and 1.25 temporary part-time Custodians were added due to increased public and City staff usage of certain facilities on the weekends. These facilities include the Police Station, Nature Center, North and South Libraries, Loma Verde Center and Parkway Center Complex. .

## **Project Design and Management**

- ***Increased Number of Capital Improvement Projects.*** **\$100,000**

As the City proceeds forward on several large building capital improvement projects including a new police station, new fire stations, major improvements at several parks and the renovation of the Civic Center Complex, the need for a management level position to oversee the operations of the Building Projects Unit is necessary. Therefore, the budget contains funding for a new Building Projects Manager and a Building Projects Supervisor. The new positions will enable the City to have a greater amount of control over all developmental aspects of Building Capital Improvement projects. The impact to the general fund will be partially mitigated by reimbursements from various funds associated with individual capital improvement projects.

The Building Project Manager (BPM) (\$81,000) will oversee the staff within the Building Project Unit as well as supervise the work of consultants and contractors. The BPM will act as owner's representative for the City in directing consultants and contractors as well as plan and prepare schedules, progress reports and cost estimates for various projects. The BPM will be responsible for the day-to-day administrative activities of the Building Project Unit and will be required to prepare presentations for City Council, other City Departments and the general public on specific projects.

The Building Project Supervisor (BPS) position is an upgrade of an existing Temporary Expert Professional position at the same level (\$19,000). The BPS is responsible for the monitoring and management of individual projects and performs daily on-site inspection and review of work. Additionally, the BPS will be involved in the planning and design of projects. The inclusion of staff at the outset of a project is crucial to the eventual success of the project itself. Given the volume and scope of projects that will be undertaken in the near future, it is desirable that the position be made a permanent position to promote stability in this crucial area. It is anticipated that sufficient additional CIP reimbursements to the General Fund will fully offset the cost of these positions.

## **Park Maintenance**

- ***Maintenance of New Park and Open Space Acreage*** **\$208,000**

Gardeners (\$108,000): Two new positions were added for the anticipated acceptance of 19 acres of new parks and landscaped areas in fiscal year 2002. These positions are based on the Council approved staffing formula for Park Maintenance. Another position was added for the anticipated acceptance of an additional 18.25 acres of new parks and landscaped areas in fiscal year 2003.

Lead Ranger (\$30,000): One new position was added to secure park restrooms and gates at closing and to assist with the growing number of picnic shelter reservations.

Open Space Inspector (\$70,000): One new position was added to supervise the administration of new open space areas located primarily in the Sunbow II and Otay Ranch development areas.

## **Urban Forestry and Landscape Maintenance**

- ***Impact of Increased Urban Forestry Funding*** **\$146,000**

The budget includes full-year funding of the new Tree Trimmer position (\$46,000) and additional funding for the City's tree-trimming contract (\$100,000 to be reimbursed by Gas Tax funds) that were approved midway through the fiscal year 2001. These increase are necessary to properly maintain City trees (i.e. street trees, park trees, and trees located on City property). Failure to keep street trees trimmed can reduce safety and increase the City's liability by interfering with the motorist lines of sight, obstructing traffic signals, and causing hazards along sidewalks.

## **Drainage Facility Maintenance**

- ***FUTURE ISSUE – National Pollution Discharge Elimination System***

The Regional Water Quality Control Board recently adopted new National Pollution Discharge Elimination System (NPDES) regulations. These new regulations impose sweeping and significant changes to what the City will have to do to enforce and comply with the new law. Complying with these stricter regulations will require the City to



enhance its activities in terms of inspection, enforcement, monitoring, maintenance and public education. All cities in San Diego County are wrestling with this issue in terms of the number and level of needed new staff and equipment.

The budget contains \$78,000 for an additional Civil Engineer position with the NPDES unit of Public Works/Engineering. Currently, the NPDES unit is comprised solely of an Assistant Engineer II. The primary task of this new Civil Engineer will be to prepare a variety of studies and draft ordinance amendments to bring the City's regulations into compliance with the new NPDES standards. This will be a daunting task and will be more than the current staff in the NPDES unit can handle. The new Civil Engineer will also be required to prepare a plan by which the City can identify funding sources for the eventual increased costs for program management and inspection. There is little doubt that the City will need to add additional staff to perform site inspections of both on-going developments and existing, and in some cases, long standing land uses as required by the new NPDES regulations. The new Civil Engineer will be responsible for supervising those staff as well as any consultants the City may utilize to comply with the requirements.

## **Environmental Protection**

- ***FUTURE ISSUE – Multiple Species Conservation Plan***

The City of Chula Vista is a participating jurisdiction in the Multiple Species Conservation Program (MSCP) Sub-regional Plan. The Sub-regional Plan provides the overall framework for the MSCP and covers a geographic area of 900 square miles in southwest San Diego County. The main goal of the MSCP is to provide a comprehensive conservation program to resolve the haphazard and widespread loss of native habitat.

The City's MSCP Sub-area Plan serves as a Habitat Conservation Plan under the U.S. Endangered Species Act and a Natural Community Conservation Plan (NCCP) under the California NCCP Act. The City will also enter into an Implementing Agreement with the U.S. Fish and Wildlife Service (USFWS) and California Department of Fish and Game (CDFG). The City's Sub-area Plan and Implementing Agreement form the basis for issuance of an incidental take permit from the USFWS and CDFG (Wildlife Agencies).

The City anticipates receiving its incidental take permit from the Wildlife Agencies by October 1, 2001. Prior to that time, staff will formulate a work plan and funding recommendations to complete implementation of the City's MSCP Sub-area Plan. Approximately \$550,000 has been spent on this project to date. The preliminary cost estimate for this program is \$550,000 to \$650,000 over a two-year period.

## **LEISURE SERVICES**

### **Library Operations**

- ***Impact of New Technology on Services*** **\$76,000**

With the introduction of a web-based integrated-online-library-system, the Chula Vista Public Library is making changes in the way it provides key reference material. Instead of relying so heavily on traditional books, the Library can now offer remote access to its catalog and numerous subscription databases. A technologically savvy public is enthusiastically embracing this major paradigm shift because they can access the materials they need 24/7 from home, work and school.

Currently, the Library is offering a wide variety of online subscription databases, including Business Resource Center, Health Reference Center, and General Periodicals (indices and full text). Next year the Library intends to add Grolier Multimedia (encyclopedias), SIRs Researcher, Facts on File (a standard resources for students doing homework projects), and LearnATest. The new LearnATest is an especially exciting software program that allows individuals the opportunity to study and prepare for exams online (border patrol, postal carrier, SAT, etc.). This program will supplement the Library's very popular collection of exam and test books.

To pay for these services \$76,000 is being reallocated from the reference account in fiscal year 2002. As a result, the Library will consciously buy fewer hardbound reference materials in favor of purchasing licenses for viewing this material on-line.

- ***Expansion of South Chula Vista Library Hours in July 2002*** **\$89,000**

South Chula Vista Branch Library opened to the public in 1995, in the midst of the '90s recession. As a result, every effort was made to keep the operating costs as low as possible. One measure undertaken was to open the branch only 48 hours per week, compared to the 64 hours of service provided weekly from the Civic Center Branch.

The Library receives numerous complaints on a weekly basis about the shorter hours at South Chula Vista Branch. Additionally, the Growth Management Oversight Commission has annually requested that the City increase the hours at the branch.

Before preparing this submittal, staff did examine the possibility of reallocating hours from Civic Center Branch to South Chula Vista Branch. After much effort, it became apparent, that this would be very difficult to implement and would probably create a negative public response over losing hours at the older Civic Center Library.

Therefore, eight additional hours each week will be added to the branch's public service schedule beginning in fiscal year 2003. Additional public service hours will be added Monday-Thursday to provide the community with a consistent weekday schedule. The new hours will be as follows:

	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
<b>Current hours:</b>	12-8pm	12-8 pm	10am- 6pm	10am-6pm	12-6pm	10am-4pm	1-5pm
<b>New hours:</b>	10am-8pm	10am-8pm	10am-8pm	10am-8pm	12-6pm	10am-4pm	1-5pm

Additionally, with the opening of Olympic Parkway, it is expected that many residents of Sunbow and perhaps even Otay Ranch will find using the South Chula Vista Branch on Orange Avenue the easiest and most convenient library to visit, further justifying these additional hours.

Adding the additional 8 hours of service will necessitate hiring a 0.5 full-time equivalent (FTE) Circulation Assistant, 0.37 FTE Circulation Assistant, .86 FTE Library Aide, .85 FTE Librarian I, .5 FTE Library Associate, and 1 FTE Library Visitor Assistant. The resulting cost is \$108,189, offset by expenditure reductions of \$18,816, for a net General Fund cost of \$89,373.

## After School Programs

### • ***Additional DASH Sites*** **\$277,000**

The Educational Services Division administers the City's elementary after school programs. The academically oriented STRETCH program is currently conducted at the following eight Title-1 elementary school sites on the city's west side: Harborside, Lauderbach, Loma Verde, Los Altos, Montgomery, Mueller, Otay, and Rice.

The DASH program is designed to provide elementary school age children with a variety of challenging, structured recreational activities in a safe after school setting. The program is currently offered at the following 14 elementary schools: Allen, Cassillas, Chula Vista Hills, Clear View, Cook, EastLake, Feaster-Edison, Halecrest, Hilltop, Olympic View, Palomar, Rogers, Rosebank, Valle Lindo.

In addition, the YMCA offers a free after school program at four school sites – Castle Park, Chula Vista Learning Community Charter, Rohr, and Vista Square. This leaves six existing un-served school sites within the City. Additionally, the district is opening two more schools next fall and one in fiscal year 2003.

During the January budget workshop the City Council expressed strong interest in enhancing the after school programs. Therefore, four school sites are being added, along with a second Extended School Day Supervisor in fiscal year 2002 and the remaining five schools in fiscal year 2003. By the end of fiscal year 2003, each supervisor will be responsible for 11 or 12 school sites. Additional DASH sites are being added instead of expanding the STRETCH program due to cost considerations. Currently, it costs approximately \$73,470 to operate each STRETCH site, while DASH sites cost an average of \$30,170. The specific school sites that will be added in fiscal year 2002 will be chosen collaboratively at a later date with the District.

The addition of the four new sites plus supervisor brings the total shared after school program cost to \$1,157,816, an increase of \$147,551 over the fiscal year 2001 budgeted amount. The District pays for 50% of the cost, 16% of the cost is paid from a State Department of Education grant, and the City pays 34%. Therefore, the additional

General Fund cost is \$45,392, bringing the General Fund's total contribution to \$393,657.

Adding the five additional schools in fiscal year 2003 will bring the total shared program cost to \$1,286,962. The additional General Fund cost for the five new sites is \$43,910, bringing the cumulative General Fund total to \$437,567.

## **Parks and Recreation Programs**

### **• *Heritage Park Recreational Center* **\$151,000****

Heritage Park is a 10.5-acre neighborhood park located in the Otay Ranch Development. This park will enjoy a 5,893 square foot recreational building, the City's first recreational building in the eastern territories. This facility will include a multi-purpose room, craft room, lobby/gallery, kitchen, office, restrooms, an out-door courtyard space, a stage and amphitheater, basketball courts, a tot lot, picnic areas, a pond, parking, open grass areas, and a private HOA operated pool complete the park amenities.

Staff has worked with the developer and the HOA to survey residents on programming interests. Over 170 residents responded with program survey information.

- 99% of the respondents showed interest in classes (arts, fitness, and special interest classes)
- 74% were willing to pay for the recreational services.
- 82% requested rental facilities for both picnic and in-door activities.

Recruitment for a Recreation Supervisor I and a Recreation Supervisor II as well as contract instructors for the various programs has begun with an anticipated opening in the Fall 2001. Staff will continue working with residents on programming development as well as the new elementary school adjacent to the park site. The developer has provided \$60,000 for the purchase of start-up equipment, which will provide for the most basic supplies.

### **• *New Neighborhood Focused Programs* **\$7,000****

Dance Recital: The department will continue to offer over 40 different types of dance classes at recreation centers and schools for both youth and adults of all ages. In years past the department offered bi-annual recitals that hi-lighted the accomplishments of the participants. Over time this celebration was reduced to an annual affair at the recreation center site location only. Participants and their families have requested a return of the combined annual dance recital, allowing the community and families of the participants to participate vicariously in the accomplishments of the participants.

Spring Egg Hunt: Over the past years the department has provided spring activities to the community in a variety of ways. This spring, as a pilot program, two-spring egg hunts and accompanying activities were held at two separate locations with over 700 community members, despite the poor weather conditions, enjoying this activity. Staff

envisions that the Spring Egg Hunt and accompanying activities will generate a large citywide turnout. The recreation staff is looking forward to working with community partners and businesses for advertising and sponsorship opportunities.

Therapeutics: The therapeutics section provides specialized programs for both physically and developmentally challenged youth and adults. Program enhancements have been included in the fiscal year 2002 budget to provide for: adaptive equipment for a specially designed golf program, an interactive theater program for the hearing impaired, and the opportunity for a team oriented wheelchair basketball program for the physically challenged.

## **Nature Center**

- ***Increased Public School Outreach*** **\$30,000**

The Duke Energy Foundation has made available a grant to the Nature Center with its primary focus to provide transportation for outlying K-12 school classes that would otherwise not be able to travel to the Chula Vista Nature Center for science field trips. The anticipated result will be a further increase in field trip activity, student admissions and County-exposure.

- ***Nature Center Shark and Ray Experience***

Responding to the need to renovate the very popular shark and ray petting pool, Nature Center staff and volunteers embarked upon a capital campaign to raise funds for a new Shark and Ray Experience exhibit. With a coordinating committee representing various local entities, the 6-month campaign plans to reach its \$300,000 fundraising goal by August 2001. At present the Campaign has raised over \$250,000 from various foundations, businesses, public agencies and private donations – including a number of City employees. The exhibit will bear the name of David A. Wergeland, the late brother of Floyd L. Wergeland, M.D., a local ophthalmologist and Chair of the Friends of the Chula Vista Nature Center, who gave the project's lead gift of \$100,000.

## **EQUIPMENT MAINTENANCE**

### **Central Garage**

- ***Maintenance of New City Vehicles*** **\$111,000**

The City's inventory of equipment and vehicles continues to grow. Maintenance of this expanding vehicle fleet necessitates the addition of several positions.

Garage Supervisor (\$65,000): One new position was added to assume administrative duties associated with the increased size and complexity of the fleet and the new maintenance garage. The increase in distance between safety vehicles and the new

facility as well as increasing fleet size necessitate additional coordination between vehicle operators and central garage staff.

Shop Technician (\$46,000): One new position was added to accommodate the increased demand for installations of electronics and accessories in all City vehicles, primarily in Public Safety vehicles. The addition of this position will eliminate the need to contract out the outfitting of new patrol cars at an annual savings of \$25,000.

## **Communications**

- ***Maintenance of New Electronic Equipment*** **\$55,000**

Electronics Technician: One new position was added to accommodate the increased demand for electronic repairs and maintenance Citywide. This position will also maintain electronic equipment previously under warranty or service contracts, including all 800 MHz equipment. In addition, this position will monitor and maintain the new Supervisory Control and Data Acquisition (SCADA) System that will be used for wastewater management.

## **PUBLIC INVOLVEMENT AND COMMUNICATION**

### **Community Needs-Based Planning**

- ***Performance Measurement***

Over the next two years staff from the Office of Budget and Analysis will work with various departments and City programs to significantly increase the City's utilization of meaningful performance measurement. A component of this project will be expanding the utilization of citizen surveys beyond police services. As this program develops these performance measures will become incorporated into the budget process with the goal of linking resource allocation to planned service levels and accomplishments.

- ***FUTURE ISSUE – General Plan Update***

Staff is developing a work plan and funding proposal for the completion of the General Plan Update. This program will include:

- A series of area-wide studies that will provide the informational and analytical foundation for the General Plan Update,
- A public outreach program that will result in community-level vision plans to identify community desires in concert with overall City needs,
- Development of General Plan alternatives,
- Preparation of an Environmental Impact Report, and
- Revision of the text and maps of the various General Plan elements (e.g. Land Use, Circulation, Public Facilities, Open Space and Conservation).

The preliminary cost estimate for this project is \$1,100,000 over a two-year period.

## Community Involvement

- ***Community Survey*** **\$15,000**

Funds are included in the budget to expand the utilization of citizen satisfaction surveys beyond police services to include fire response and emergency medical services and possibly other city services. The Growth Management Oversight Committee recommended a citizen survey be conducted to assess satisfaction with fire and medical response in fiscal year 2002. If, through the development of more comprehensive performance measures staff identifies other areas where survey feedback would be helpful, additional services will be incorporated into the survey.

## Improve Public Communications

- ***Implementation of Communications Report*** **\$129,000**

Recently the City commissioned an audit of its internal and external communications. The audit resulted in a recommendation to expand the City's communication program through a variety of strategies.

In spring of 2001 City Council accepted the Communications Audit Steering Committee's report and added a Communications Specialist, an Administrative Office Assistant II, and a half-time Web Master. Funds were also appropriated for the redesign of the City's website.

An RFP for redesign of the City's website is currently being prepared and is expected to be "on the street" by June 1. Bid award by City Council is now planned for mid-August with the actual website redesign likely occurring in stages throughout fiscal year 2002.

Finally, departments are answering the call to name a representative to the new Citywide Communications Committee. This committee will be responsible for overseeing the implementation of the communications program, including a uniform graphic standards package.

As a result of this effort, it is expected that the City will experience:

- Improved City image
- Improved coordination of external and internal communications and public information
- Improved overall quality of the City's communications products, include the City's website
- Improved public relations coordination for City Council
- Increased numbers of communication products, including more issues of the City's *Spotlight* publication
- Increased TV and newspaper coverage
- Improved training of City staff in terms of responding to the press

- Increased quality and consistency of promotional materials produced in all city departments
- Improved communications between departments
- Enhanced user-friendliness of citywide and departmental forms
- Improved coordination and presentation of special events
- Increased availability of information to residents, businesses and employees

## **HUMAN RESOURCE MANAGEMENT**

### **Prudent Management of Human Resources**

- ***Safety Program***

**\$289,000**

During fiscal years 2002 and 2003 the Safety Program will continue to support efforts to abate workplace hazards, educate employees, maintain safety equipment, provide medical testing/screening and most importantly to further develop the City of Chula Vista's safety culture.

Employee training is a key component of the Safety Program. This year all City employees will be trained on the Injury Illness Prevention Program (IIPP) and the Hazardous Communications (HAZCOM) Program. Other training topics include: heat stress prevention, lead awareness, heavy equipment operations and new employee safety. Furthermore, by taking a "hands-on" approach to training, city staff is provided with the skills necessary for working in confined spaces, using trenching/shoring, performing lockout/tagout and setting up proper traffic control.

The Safety Program will also continue to provide annual hearing testing to employees exposed to hazardous levels of noise; annual TB skin screening for sworn Police and Fire personnel who may be exposed to persons with this disease; and offer the Hepatitis B vaccine to employees at risk of contracting the virus. We will manage the random drug/alcohol testing program for employees in the driving pool and fit test all employees who may be required to wear a respirator on the job to protect themselves from air contaminants.

Other important components of the Safety Program are improving ergonomics for both office and field staff, managing the annual servicing of fire extinguishers in all City facilities, and providing first aid and blood borne pathogen kits to all departments.

Finally, the safety culture of the City will be further enhanced by launching safety campaigns through our Safety Committees, participating in the Health & Safety Faire and Take-Your-Kids-To-Work Day, and sending employees to well respected and highly informative safety conferences.

- ***CVEA Classification Study***

Phase I and II of the Classification Study are near completion. Phase I included clerical positions and Phase II includes technical positions. This study also incorporates



development of the long-term vision for the City's organizational structure, allocation standards, titling conventions, and career ladders.

Currently, there are approximately 117 classifications to be reviewed, which will affect 322 employees. In keeping with the structure developed by Shannon Associates (\$74,000), staff will continue to refine the conceptual framework and audit of each position. The position audit will include review of the position inventory questionnaire, budget, organization charts, preparation of class specifications for each class of work, appropriate allocation, and review of internal relationship, and the assignment of a salary range to each classification. This will ensure that job specifications are current with the City's classification structure. Furthermore, staff will establish a classification review process to address individual employee and department needs and concerns.

As the City continues to grow and the number of employees increases, the need to maintain a comprehensive classification and compensation plan is of paramount importance. This will ensure that the City will continue to be able to recruit and retain qualified employees to meet the needs of the community.

- ***Volunteer Program***

**\$88,000**

The Volunteer Program is in its second year and will be focusing on several improvements in the coming fiscal years. First, a Volunteer Newsletter will be developed to keep departments, employees and volunteers informed of all the contributions our hundreds of volunteers provide. Second, each department liaison to the Volunteer Program will be invited to assist with the development of a Public Relations Brochure that can be included in promotional materials for the City of Chula Vista. Third, the second annual Volunteer Recognition Event will be held in April 2002 with the intent of building on the success of the well-attended inaugural event. The goal of the Volunteer Program is to make the City and the community aware of volunteer contributions and successes, new volunteer opportunities, and to help attract business and encourage them to *Catch the Spirit* in our community. The volunteer program provides vital public services and enables the City to provide a much higher level of service at a highly reduced cost. More than a thousand volunteers work throughout the City donating over 7,000 hours of service – the equivalent of more than \$1 million in labor.

## **CAPITAL PROJECTS**

### **Capital Improvement Program (CIP) Budget FY02 & FY03     \$62,800,000**

The capital budget complements the operating budget by providing funding for major capital projects. The fiscal year 2002 CIP budget includes \$43.5 million in capital funds and an additional \$19.3 million are included in fiscal year 2003. As the Mayor outlined in her State of the City Address, the City is committed to preparing for the future by planning and providing quality infrastructure to serve our growing community, while also rebuilding and maintaining our existing infrastructure. As we develop and revitalize our City's resources, we also look at ways to conserve them, especially in the planning and design of new City building facilities. Staff will continue to maximize the use of "green" materials in City buildings wherever feasible and will be exploring various energy conservation methods for our lighting and power and heating, ventilation, air conditioning (HVAC) needs in existing and new City facilities.

- ***Building Projects***

In the CIP budget, staff has identified a construction schedule for these new facilities for the next 5 - 7 years, with estimated construction costs of \$300 - \$400 million. Funding will come from a variety of sources including Development Impact Fees (DIF), Community Development Block Grants (CDBG), Residential Construction Tax (RCT), General Fund, Grants, Transit, Redevelopment (RDA) Funds, Gas Tax and Sewer funds and long term financing. Facilities currently under construction or planned for the next 5 - 7 years include, but are not limited to, the following:

- The new Corporation Yard on Maxwell Road
- The new Animal Shelter on Beyer Way
- A new Police facility on "F" Street
- 12 neighborhood and 6 community parks – various locations
- 2 new fire stations – Otay Ranch and Rolling Hills
- The replacement of Fire Station #5 in the Montgomery area
- A new east side library – Rancho del Rey
- Community Centers and Gymnasiums – locations to be determined
- Renovation of the Civic Center complex
- Construction of a new shark and ray exhibit at the Nature Center

The Corporation Yard project (\$35 million) is under construction and staff is projecting move in for Fall 2001. The Animal Shelter (\$3.2 million) is scheduled to be completed and open in Summer 2001. The Rancho del Rey fire station #4 (\$1.4 million) is expected to open in Summer 2001, along with the Sunbow fire station #3 (\$1.25 million). Fire Station #7 in Otay Ranch will be designed in fiscal year 2002, with construction scheduled for the following year. Rolling Hills Ranch Fire Station #8 is scheduled for design in fiscal year 2003 and construction the following year. All of our new parks will be constructed under a turnkey arrangement with the respective developer with new community centers and gymnasiums being sited according to the new Parks Master Plan. In addition, staff is proposing the renovation of existing parks, to be completed under the guidance of the Parks Master Plan. Finally, Nature Center

staff has been actively pursuing grants and donations, through a new fundraising program, to replace the existing petting pool at the Nature Center with a new Shark and Ray Experience. Design and construction are planned for fiscal year 2002.

Three new, major construction projects are in the planning and/or design phases: a new police facility (\$60 million) combined with the renovation of the existing Civic Center (\$31 million), and a new 30,000 square foot library in Rancho del Rey.

The largest of the proposed construction projects involves the construction of a new 140,566 square foot police facility and the renovation/expansion of the Civic Center, under a Design/Build format approved by the voters, for the construction/renovation of these facilities. The two projects are being coordinated to maximize the utilization of the current Police offices in the renovation of the Civic Center. Completion of the police facility is planned for July 2003. The Civic Center improvements are planned in phases, starting in 2003-04 and continuing through 2006-07, with interim improvements and relocations being made during the next two years.

Staff will be pursuing Library Bond Act funds to help pay for the proposed new library in Rancho del Rey. Staff anticipates having to submit the grant application in Summer 2002. If the City is successful in receiving these very competitive grant funds, 65% of the eligible costs of the new library will be covered. The library could conceivably open in July 2004.

Each of these projects is critical to the delivery of services to the public as well as ensuring the efficient and effective internal operation of our departments. Staff will continue to keep the Council updated on the progress of new facilities.

- ***Street and Sewer Projects***

In terms of major infrastructure projects, the construction and completion of Olympic Parkway (\$76 million) is one of the most critical to meet the traffic needs generated by new development. One of the major segments from Oleander to Paseo Ranchero will open on June 23, 2001, with the entire roadway scheduled to be completed by the end of 2002. The Olympic Parkway/I-805 interchange construction project (\$21.4 million) is scheduled to be bid in June 2002. The Salt Creek Sewer project (\$18 million) and improvements to the Telegraph Canyon Sewer (\$2.4 million) are also needed to serve new development and are scheduled to start construction in August 2001 and mid 2001-02, respectively.

Pavement rehabilitation and street improvements will continue to be a priority, with approximately \$7.1 million budgeted for that effort in fiscal years 2002 and 2003. Pavement improvements on Main Street from Broadway to I-805 will also be constructed, and will be coordinated with the Salt Creek Sewer project. Finally, major street and right-of-way improvements are planned on Palomar Street, from I-5 to Industrial, with construction planned to begin in early 2002.

Other capital projects are more fully described in the separate capital improvement program budget.

## ACKNOWLEDGEMENT

This is our first effort in preparing a Biennial Budget. Department Heads and staff responded well to the challenge of projecting operating expenses and program needs for the next two fiscal years. I appreciated their effort and time in doing so.

The multi-year budget was prepared in accordance with the City Council's direction to reflect our long-term financial forecasts in estimating the City's resources and budgetary requirements. The City Council wants to know where we are, where we are going, and how we are getting there. This document continues our efforts in these areas.

I wish to recognize Bob Powell, Deputy City Manager and Cheryl Fruchter, Director of Budget & Analysis for their excellent service and guidance in this process. I would also like to thank Dave Hanson, Principal Management Analyst for his outstanding work in developing the systems, procedures and processes to facilitate the budget preparation effort and Patricia Laughlin, Administrative Technician for her excellent work in producing this budget document.

Respectfully submitted,

A handwritten signature in black ink, reading "David D. Rowlands, Jr." in a cursive script.

David D. Rowlands, Jr.,  
City Manager